

Study B-601

September 11, 1996

First Supplement to Memorandum 96-62**Business Judgment Rule: Participation of State Bar Committee**

Attached is a letter from the State Bar Corporations Committee indicating that, due to scheduling problems, they are unable to have a representative at the Commission's September meeting.

The State Bar Committee suggests that before the Commission proceeds with a tentative recommendation on this matter, it would be helpful for them to meet with the Commission's staff. "We believe that such a meeting may permit us to develop a statutory provision which meets the staff's objectives and address our concerns as well."

This procedure also would enable the State Bar Committee to get further information on the pending codification project of the ABA Business Law Section Committee on Corporate Laws.

Respectfully submitted,

Nathaniel Sterling
Executive Secretary

GRAY CARY WARE
▲ FREIDENRICH
 A PROFESSIONAL CORPORATION

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OUR FILE NO.
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September 9, 1996

BY FACSIMILE AND U.S. MAIL

Nathaniel Sterling
 Executive Secretary
 California Law Revision Commission
 4000 Middlefield Road, Suite D-2
 Palo Alto, California 94303-4739

**Re: Codification of California Business Judgment Rule
 (Study B-601)**

Dear Nat:

We have received your latest staff memorandum (96-62), together with the revised proposal for codification. As I indicated in our telephone conversation today, none of our Committee members is available for the September 12 hearing in Sacramento as a result of unavoidable scheduling conflicts.

We will provide our comments to you on the staff memorandum as soon as possible. We believe that before the discussion draft is widely circulated, it would be very helpful to have an opportunity to review our comments to the August 1996 staff memorandum in person. We believe that such a meeting may permit us to develop a statutory provision which meets the staff's objectives and address our concerns as well. We will also endeavor to obtain further information from the ABA Business Law Section Committee on Corporate Laws on their pending project on codification.

Please call me if you have any questions prior to the hearing.

Very truly yours,



Diane Holt Frankle
 Co-Chair, Corporations Committee

cc: Ann Yvonne Walker, Co-Chair, Corporations Committee
 Evelyn Lewis, Corporations Committee
 Alan J. Barton, Corporations Committee
 D. Steven Blake, Corporations Committee